

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1279

To provide the Secretary of Housing and Urban Development with flexibility to dispose of multifamily housing projects.

---

## IN THE SENATE OF THE UNITED STATES

JULY 22 (legislative day, JUNE 30), 1993

Mr. BOND (for himself and Mr. D'AMATO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

To provide the Secretary of Housing and Urban Development with flexibility to dispose of multifamily housing projects.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; PURPOSES.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “FHA Multifamily Housing Flexible Disposition Act of  
6       1993”.

7       (b) **PURPOSES.**—The purposes of this Act are:

8               (1) To balance the need to reimburse the gen-  
9       eral insurance fund of the Department of Housing  
10      and Urban Development through the disposition of

1       multifamily housing projects with the goal of pre-  
2       serving housing for low-income households.

3           (2) To provide housing to households with  
4       mixed incomes that are capable of paying the operat-  
5       ing and debt service costs of such housing.

6           (3) To explore different approaches to disposing  
7       of such housing, including the use of Federal hous-  
8       ing rental subsidies, Federal housing mortgage in-  
9       surance, risk-sharing arrangements, purchase money  
10      mortgages, and low-income housing tax credits, or  
11      combinations thereof.

12          (4) To maintain to the maximum extent pos-  
13      sible the low-income character of such housing while  
14      disposing of such properties in an economically via-  
15      ble manner.

16   **SEC. 2. AUTHORITY.**

17      (a) IN GENERAL.—Consistent with the purposes set  
18      forth in section 1 and for a period of 18 months from  
19      the date of enactment of this Act, the Secretary of Hous-  
20      ing and Urban Development (hereafter in this Act referred  
21      to as the “Secretary”) may dispose of multifamily housing  
22      projects that are—

23           (1) owned by the Secretary; or

24           (2) being foreclosed upon by the Secretary;

1 without regard to the provisions of section 203 of the  
2 Housing and Community Development Amendments of  
3 1978 (12 U.S.C. 1701z-11).

4 (b) SALE TO LOCAL GOVERNMENTS AND STATE  
5 AGENCIES.—

6 (1) NOTICE.—

7 (A) IN GENERAL.—Within a reasonable pe-  
8 riod of time after acquiring title to a multifam-  
9 ily housing project, the Secretary shall provide  
10 written notice to—

11 (i) the unit of general local govern-  
12 ment the jurisdiction of which includes  
13 such project; and

14 (ii) the State housing finance agency,  
15 or other appropriate agency, of the State  
16 in which such project is located.

17 (B) CONTENTS.—The notice provided  
18 under paragraph (1) shall contain basic infor-  
19 mation about the project, including its location,  
20 the number of units (identified by number of  
21 bedrooms), and information relating to the esti-  
22 mated fair market value of the project.

23 (2) EXPRESSION OF SERIOUS INTEREST.—Not  
24 later than 60 days after receiving notice under para-  
25 graph (1), a unit of general local government or

1 State agency may provide the Secretary with written  
2 notice of its serious interest in the property. Such  
3 notice of serious interest shall be in such form and  
4 include such information as the Secretary may pre-  
5 scribe.

6 (3) NOTICE OF READINESS FOR SALE.—Upon  
7 the expiration of the 60-day period referred to in  
8 paragraph (2), the Secretary shall provide written  
9 notice to any unit of general local government or  
10 State agency that has expressed serious interest in  
11 the property. Such notice shall specify the minimum  
12 terms and conditions for the sale of the property.

13 (4) OFFERS AND ACCEPTANCE.—

14 (A) OFFERS.—A unit of general local gov-  
15 ernment or State agency has 45 days after the  
16 date notice is received under paragraph (3) to  
17 make a bona fide offer to purchase the prop-  
18 erty.

19 (B) NONPROFIT ORGANIZATIONS.—An  
20 offer under this paragraph may be made in con-  
21 junction with a nonprofit organization.

22 (C) ACCEPTANCE.—The Secretary shall ac-  
23 cept an offer that complies with the terms and  
24 conditions prescribed by the Secretary under  
25 paragraph (3).

1       (c) SALE TO OTHER PURCHASERS.—If, after expira-  
2       tion of the periods of time referred to in paragraphs (2)  
3       and (4)(A) of subsection (b), as applicable, no purchaser  
4       has expressed serious interest or made a bona fide offer  
5       to purchase the property, the Secretary may sell the prop-  
6       erty to any purchaser.

7       (d) DEFINITIONS.—For the purposes of this Act the  
8       term “multifamily housing project” has the same meaning  
9       as in section 203(i)(1) of the Housing and Community De-  
10      velopment Amendments of 1978 (12 U.S.C. 1701z–  
11      11(i)(1)).

12      **SEC. 3. REPORT.**

13      Not later than 90 days after the expiration of the  
14      18-month period following the date of enactment of this  
15      Act, the Secretary shall transmit to the Congress a report  
16      describing the various methods of disposition of multifam-  
17      ily housing projects that have been undertaken pursuant  
18      to this Act and any recommendations for administrative  
19      or legislative action to further the purposes of this Act.

○